

## Message Text

UNCLASSIFIED

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ACTION EUR-12

INFO OCT-01 ISO-00 EB-08 COME-00 AGRE-00 TRSE-00  
CIAE-00 INR-07 NSAE-00 PA-02 PRS-01 USIA-15 /046 W  
-----050235Z 057993 /73

R 042205Z APR 77  
FM AMEMBASSY OTTAWA  
TO SECSTATE WASHDC 3047

UNCLAS OTTAWA 02337

PASS AGRIC FOR ANDERSON/FAS DL&P

E.O. 11652: N/A  
TAGS: EAGR, CA  
SUBJECT: CANADIAN DAIRY POLICY 1977-78

1. MIN AG WHELAN ANNOUNCED TO HOUSE OF COMMONS TODAY THE  
SUBSTANCE OF THE DAIRY POLICY EFFECTIVE APRIL 1.

2. THE NATIONAL REQUIREMENT FOR INDUSTRIAL MILK IS 100  
MILLION CWT. FEDERAL SUBSIDY IS TO CONTINUE AT \$2.66 PER  
CWT. ON THIS QUANTITY. THERE WILL BE A 5.6 MILLION CWT.  
OVER-QUOTA SLEEVE TO HELP IRON OUT SEASONALITY.

3. TARGET PRICE FOR INDUSTRIAL MILK OF \$11.45/CWT. HAS  
BEEN INCREASED TO \$11.86/CWT. OF 3.5 PERCENT BF IN LINE  
WITH FORMULA ANNOUNCED ONE YEAR AGO.

4. CDC OFFER TO PURCHASE PRICE FOR BUTTER INCREASED FROM  
\$1.08 TO \$1.18 PER LB. SKIM POWDER INCREASED FROM 68CENTS  
TO 70 CENTS PER POUND.

5. PRODUCER LEVY FOR EXPORT SALES FINANCING WAS REDUCED  
FROM \$1.35 PER CWT. OF INDUSTRIAL MILK DELIVERED TO  
\$1.20 PER LB. THE GOVERNMENT HAS ASSUMED THE \$152  
MILLION DEBT THAT HAS BUILT UP IN THIS ACCOUNT.

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6. FLUID MILK PRODUCERS WILL ASSUME RESPONSIBILITY FOR  
SOME UNSPECIFIED SHARE OF SKIM POWDER EXPORT COSTS.

7. PENALTY FOR OVER-QUOTA MILK PRODUCTION HAS BEEN  
REDUCED FROM \$8.60 TO \$7.00 PER CWT.

8. CDC WILL RECEIVE \$20 MILLION FOR STORAGE AND MANAGEMENT COSTS.

9. CIDA WILL AGAIN GET \$20 MILLION FOR PURCHASES OF SKIM MILK POWDER FOR FOOD AID.

10. GOVT. WILL SPEND \$4 MILLION FOR MARKET RESEARCH.

11. APPROXIMATELY 10 MILLION POUNDS OF BUTTER AND 52 MILLION POUNDS OF SKIM MILK POWDER IN CDC HANDS REMAIN UNCOMMITTED. ENDERS

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** REPORTS, POLICIES, DAIRY PRODUCTS  
**Control Number:** n/a  
**Copy:** SINGLE  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
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**Disposition History:** n/a  
**Disposition Reason:**  
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**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**TAGS:** EAGR, CA  
**To:** STATE  
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**Review Markings:**  
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